Evaluation of R.E.E.T.A.I.N. Minnesota’s Child Care Workforce Retention Program

Executive Summary

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Executive Summary

Child care programs struggle to retain qualified employees in Minnesota and nationwide.\(^1\)\(^2\) Low wages and stressful working conditions are major contributors to turnover among the child care workforce. Despite the pivotal role that child care professionals play in positive child development, their annual earnings are among the lowest of any profession in the United States.\(^3\)

Frequent changes in program staff have broad effects that are associated with negative outcomes not only for programs, but also for remaining staff and the children they serve. For example, frequent teacher turnover is associated with lower program quality, which can negatively impact children’s development and well-being.\(^4\) Child care programs that struggle with retention tend to have less positive working environments, and remaining staff report high stress levels.\(^5\)\(^6\) In addition to improving outcomes for children and working conditions for staff, stabilizing the child care workforce is a critical issue for the Minnesota economy since child care shortages can hinder economic development.\(^7\)

Reflecting growing attention to the importance of staff retention, Minnesota and several other states have invested in public initiatives to enhance wages for child care professionals. This study presents findings from an evaluation of Retaining Early Educators through Attaining Incentives Now (R.E.E.T.A.I.N.), a financial bonus program designed to improve workforce retention among highly trained child care professionals in Minnesota. Results from the study inform recommendations regarding how the R.E.E.T.A.I.N. program can better support the child care workforce and improve retention.

Overview

Turnover, often expressed as a percentage, refers to the rate at which teaching or caregiving staff leave their place of work or transition to non-teaching/caregiving roles.\(^8\) According to a 2012 report from the National Association of Child Care Resource and Referral Agencies, the average annual turnover rate for early childhood educators is between 25 and 40 percent.\(^9\) Data from the 2011 Minnesota Child Care Workforce Survey suggest that provider turnover rates in Minnesota may be lower than the national average; according to the report, center-based programs experienced teacher turnover rates between 12 and 16 percent in the year preceding the study. Turnover rates were highest among center-based aides (22 percent) and assistant teachers (16 percent). Nearly half (47 percent) of preschools and approximately 70 percent of both center-based and school-aged child care programs in Minnesota reported at least some staff turnover in the year preceding the survey period.\(^10\)

Research on the child care workforce shows that the interrelationship among turnover rates, program quality, and workplace climate is complex; however, the studies in this area have not been designed to determine how these three factors influence one another. For example, research indicates that programs with higher rates of turnover are more likely to experience increased levels of staff stress,\(^11\) a less positive working environment,\(^12\) and increased financial challenges.\(^13\) Several studies have also found an inverse relationship between program quality and staff turnover rates; that is, programs with higher turnover rates tend to be of lower quality.\(^14\) Differences in program quality negatively affect important developmental outcomes for children, including their socio-emotional development.\(^15\) For example, one study found that children in programs with lower staff turnover had more positive relationships with teachers and engaged more frequently in age-appropriate activities.\(^16\) Taken together, these findings highlight the need for system leaders to consider workplace climate and program quality when designing retention programs.

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\(^1\) The 2011 Minnesota Child Care Workforce study defines preschools as licensed programs typically offering two to three daily sessions a few days per week to children ages 3 through 5. Preschools are different from center-based programs, which are defined as licensed programs serving children birth through school-age in a private facility.

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Executive Summary
**R.E.E.T.A.I.N. Bonuses**

The Minnesota Department of Human Services (DHS) has invested in multiple initiatives to strengthen the child care workforce by partnering with grantees such as Child Care Aware of Minnesota and Achieve, The Minnesota Center for Professional Development. In response to state legislation enacted in 2007, DHS was tasked with designing and implementing a professional development system to support child care providers. DHS has since rolled out several programs aimed at improving child care professionals’ access to professional development opportunities and other resources, including financial assistance programs.

In 2003, Child Care Aware of Minnesota (formally known as the Minnesota Child Care Resource and Referral Network), raised funds to launch two programs to support the child care workforce: Teacher Education and Compensation Helps (T.E.A.C.H.), which provides tuition assistance and other financial benefits to qualifying child care professionals; and R.E.E.T.A.I.N., which provides bonuses to encourage well-trained child care professionals to remain in the field. A year later, DHS began funding both programs. R.E.E.T.A.I.N. bonuses offer a financial incentive to providers with degrees who stay in the field and continually participate in professional development on their own time. In return, bonus recipients agree to remain in their current positions for at least one year after receiving the incentive. Providers can apply for a R.E.E.T.A.I.N. bonus every year as long as they did not receive the bonus during the previous year, and they are not allowed to receive both a T.E.A.C.H. scholarship and a R.E.E.T.A.I.N. bonus in the same year.

**Evaluating R.E.E.T.A.I.N.**

Although the issue of turnover has received growing attention from educators and policymakers, little research has been done on retention initiatives. Moreover, to date, the research has been specific to the geographic context of different retention programs and is thus not generalizable to programs across the country. For these reasons, it is important for state officials in Minnesota to understand how R.E.E.T.A.I.N. bonuses function as a workforce retention initiative and the extent to which child care professionals can equitably access the bonus.

To answer these and other questions, DHS contracted with Child Trends in 2018 to study the effect of R.E.E.T.A.I.N. bonuses on workforce retention. The research team at Child Trends:

- Analyzed administrative data on child care providers who had applied for a R.E.E.T.A.I.N. bonus since 2013
- Conducted an online survey of past R.E.E.T.A.I.N. applicants, including both those who received a bonus (recipients) and those who did not (non-recipients)
- Collected information on current R.E.E.T.A.I.N. policies, procedures, and implementation
- Reviewed existing literature on other relevant early childhood workforce retention programs
- Conducted individual interviews with a small subset of bonus applicants and recipients

Compiled with the use of multiple methods and data sources, findings from this research provide actionable information for policymakers and programs in Minnesota. Given the lack of existing research on retention initiatives overall, this study can also serve as resource for other states interested in or currently implementing child care workforce retention initiatives. The study focuses on questions in four key areas:

**Retention**

- Is receiving one or more R.E.E.T.A.I.N. bonuses associated with providers’ decisions to remain in the child care workforce?

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ii Providers can apply for T.E.A.C.H. scholarships annually.
Evaluation of R.E.E.T.A.I.N. Minnesota’s Child Care Workforce Retention Program

Executive Summary

• Are R.E.E.T.A.I.N. bonus recipients more likely to remain in the workforce than non-recipients?

Educational Attainment

• Do R.E.E.T.A.I.N. bonus recipients achieve higher levels of education or professional development compared to applicants who did not receive the bonus?

Supports

• What role do other professional supports play in R.E.E.T.A.I.N. bonus recipients’ decisions to stay in the field?
• What best practices have been identified in research on similar workforce retention programs? How can Minnesota use these practices to improve the R.E.E.T.A.I.N. bonus program?

Barriers

• How difficult was it to apply for a R.E.E.T.A.I.N. bonus?
• Did applicants rely on any outside support (e.g., help from supervisors) to apply for a R.E.E.T.A.I.N. bonus?

This analysis also compares findings across key subgroups of R.E.E.T.A.I.N. bonus applicants. Specifically, it examines differences across provider type (i.e., center-based or family child care provider), number of times the provider received the R.E.E.T.A.I.N. bonus, geographic location, Career Lattice Step, and provider race/ethnicity.

Key Findings and Implications

Analysis of administrative data, surveys, and interview data from R.E.E.T.A.I.N. bonus program applicants provided insight into how the R.E.E.T.A.I.N. bonus program supports the child care workforce retention in Minnesota. The following section highlights key findings from the evaluation.

Applying for and receiving a R.E.E.T.A.I.N. bonus

The number of applicants to the program has doubled.

Since 2013, the number of applicants to the R.E.E.T.A.I.N. bonus program has more than doubled, even without a coordinated marketing effort to raise awareness. The majority of center-based respondents reported hearing about the R.E.E.T.A.I.N. bonus program from their supervisor or director, while family child care providers reported hearing about the program from a variety of sources, including Child Care Aware and other child care providers. Center-based providers are more likely to apply for and receive a R.E.E.T.A.I.N. bonus than family child care providers. Currently, the application process allows only family child care applicants to apply in the fall application period, while only child care center staff may apply in the spring application period. At the beginning of the funding year in July, equal amounts of the allocation for R.E.E.T.A.I.N. are set aside for each provider type. However, child care center staff may benefit in the spring application period from a larger allocation because funds are added during the spring period from other sources in years when they are available, thus increasing the original allotment amount. As the popularity of the program increases, DHS could examine current efforts to market the program to providers and consider
how awareness of the program influences decisions to apply. DHS could pay special attention to the issues of how to market and equitably distribute the bonus to family child care providers.

**Very few providers reported any challenges when applying for the bonus.**

In general, providers indicated that applying for the R.E.E.T.A.I.N. bonus was simple. Just 15 percent of respondents reported experiencing challenges when applying. One of the most commonly cited challenges was difficulty with submitting required documentation. However, because the survey reached only those providers who had successfully submitted R.E.E.T.A.I.N. bonus applications, it is possible that there are additional barriers preventing other child care providers from applying in the first place. For example, the R.E.E.T.A.I.N. application is available only in English and requires internet access to complete; these limitations may exclude non-English speaking providers or providers who live in areas without reliable internet access. In addition, center-based providers were more likely to have received help on the application (17 percent) compared to family child care providers (4 percent), suggesting that family child care providers may have less access to support when applying for a R.E.E.T.A.I.N. bonus. Child Care Aware may consider advertising the existing language support resources available through the organization to applicants needing such support.

**Use of R.E.E.T.A.I.N. bonuses**

**More than half of bonus recipients felt the bonus influenced their decision to stay in the field.**

Just over half of recipients who responded to the survey (55 percent) agreed that the R.E.E.T.A.I.N. bonus made it more likely they would stay in the child care field. Among those providers who completed the survey and did leave the field, low compensation was the most commonly cited reason for their decision. It should be noted, however, that a small group of providers (N = 6) who participated in individual interviews indicated that the bonus did not influence their decision to stay in the field. These providers reported that they were happy with their profession and had no interest in leaving the field regardless of bonus receipt status. Furthermore, interview responses also indicated that funds from the R.E.E.T.A.I.N. program relieved considerable stress for providers by helping them pay bills and other expenses and allowing them to focus more easily on their work.

**The majority of bonus recipients used the funds for classroom resources.**

Providers most commonly indicated that the bonus helped them purchase goods or resources for their classrooms (75 percent) or for their personal needs (89 percent). However, these results differed significantly for center-based and family child care providers. Family child care providers were more likely to report the bonus funds were really helpful for purchasing goods and resources for the classroom (73 percent) compared to center-based providers (23 percent). Conversely, center-based providers were more likely to say the funds were really helpful for purchasing good or resources for themselves (62 percent) compared to family child care providers (51 percent). This finding is not surprising given that center-based providers are more likely to have access to classroom resources through their programs.

Although it is not an explicit goal of the R.E.E.T.A.I.N. bonus program to advance providers’ education and professional development, one third of respondents indicated that the bonus helped support their education (35 percent) or professional development (46 percent). Of those who used the bonus for their education, providers most frequently indicated that it helped to offset the cost of college (38 percent) or
credentialing program courses (25 percent). Of those who used the bonus for professional development, most reported that the funds offset the costs of a professional development course or training (84 percent).

**R.E.E.T.A.I.N. compared to other workforce retention programs**

**Most other retention programs also provide salary supplements.**

Out of the 16 similar programs reviewed, 11 (including R.E.E.T.A.I.N.) provide salary supplements as their primary workforce retention activity. In each of these salary supplement programs, participants receive supplements based on a tiered system that assesses scores on measures such as wages, professional development participation, and career history. Recipients with higher scores on these measures receive larger grant or bonus amounts. A major difference between the R.E.E.T.A.I.N. bonus program and some other salary supplement programs identified in this review concerns the requirement that providers who receive funds advance their career lattice level within a specified amount of time in order to receive all the funds. Of the 16 similar salary supplement programs reviewed, seven included this requirement. Although R.E.E.T.A.I.N. considers providers’ Career Lattice Step both during scoring and when determining each provider’s bonus award amount, R.E.E.T.A.I.N. does not require providers to advance their level in order to receive the bonus funds. Despite this difference, however, the R.E.E.T.A.I.N. bonus program shares key similarities with a majority of other workforce retention programs reviewed.

**There is little research exploring the effectiveness of retention programs.**

Programs that did report outcomes demonstrated positive effects on workforce retention rates; however, due to the small size of each study, additional research is needed to understand those effects within the broader national context of child care. This lack of research underscores the opportunity that the R.E.E.T.A.I.N. bonus program evaluation has to contribute to the field’s understanding of how workforce retention programs support child care providers; however, it also limits our ability to compare findings from the R.E.E.T.A.I.N. bonus program to other similar workforce retention programs.

**Study Limitations**

While this study provides important insight into the effectiveness of the R.E.E.T.A.I.N. bonus program, the following limitations should be considered when interpreting findings.

**Few survey respondents had left the child care field.**

Although we were interested in learning why providers choose to leave the child care field, few of the survey respondents indicated they had left the field. Consequently, our ability to draw conclusions about this group of providers was limited. Although findings from this small group are included in this report, additional research is needed to comprehensively explore the different reasons providers leave the child care workforce. In addition, while we know Minnesota’s staff turnover rate is lower than the national average, we have a limited understanding of the full demographic breakdown of the state’s child care workforce. Therefore, we are uncertain of how well our sample represents the child care workforce in Minnesota.
Administrative data from 2018 do not include family child care providers.

Family child care providers submit their R.E.E.T.A.I.N. bonus applications at a different time of the year than do center-based providers. Consequently, administrative data for the most recent year, 2018, are available only for center-based child care providers. To examine as much information as possible, we did include the data available from this applicant pool in our analyses; however, it is important to note that we may not have fully captured information from 2018 about family child care providers.

**Recommendations**

**Consider efforts to support providers who are less qualified.**

The R.E.E.T.A.I.N. bonus program currently incentivizes providers with higher Career Lattice Steps as well as providers who enroll in a higher number of professional development hours. As such, the program’s design aligns well with its goal of retaining highly trained professionals. However, provider turnover is pervasive in early childhood education systems and impacts child care providers at all career levels. Therefore, additional efforts may be needed to provide wage supports and ensure positive working conditions for providers with lower Career Lattice Steps, as well as for those with limited access to professional development opportunities. Additionally, it is possible that certain populations of providers are less likely to meet R.E.E.T.A.I.N.’s eligibility requirements (e.g., the requirement that the provider holds a Career Lattice Step of 6 or higher). Although such requirements did not pose obstacles for providers who participated in this study, past research in Minnesota has found that family child care providers, on average, have lower levels of education than center-based providers. Future research should consider whether any of the eligibility criteria, particularly those relating to professional qualifications and education, disproportionately affect any group(s) of providers.

**Maintain flexibility in how providers can use funds.**

Like the R.E.E.T.A.I.N. bonus program, most other similar retention programs (N = 11) allow for unrestricted use of funds. Survey results reflected this flexibility: respondents reported using funds for a wide variety of purposes. In addition, when asked how they would use bonus funds if the amount were doubled, providers had a range of responses: 54 percent said they would use the funds to buy materials for their classrooms, 40 percent reported they would use the funds for paid time off that would help them personally, and 36 percent said they would use the funds for educational attainment. These responses indicate that child care providers have many financial needs, and the flexibility for using the R.E.E.T.A.I.N. bonus allows providers to address their unique circumstances.

**Continue efforts to improve administrative processes and limit barriers to the application process.**

While few survey respondents reported barriers to the application (N = 87), there were some notable barriers that could be addressed through minor administrative improvements to the bonus program.

**Continue to address technology needs to allow for online submission of documents.** Of those respondents who reported a barrier to the application, 40 percent noted that they had difficulty mailing or uploading forms. Child Care Aware has begun investing in technology to make the application more accessible. For example, an option to upload documents online was recently made available. DHS should continue to collect feedback on barriers and make efforts to address these barriers through technological improvements when possible.
Make the R.E.E.T.A.I.N. application available in multiple languages. The R.E.E.T.A.I.N. bonus application is currently available only in English, but Minnesotans speak a diverse range of languages. Some of the most common are Spanish, Somali, and Hmong. Translating the application into commonly used languages will increase the accessibility of the bonus program to non-native English speakers.

Continue efforts to distribute funds equitably among center-based and family child care providers. Since the 2014 changes to the R.E.E.T.A.I.N. program, center-based and family child care providers are eligible to apply for bonuses in separate application cycles to accommodate their differing annual schedules. Because center-based providers are eligible in the spring, they may benefit from additional bonus funds that result from an influx of available funding at the end of the fiscal year. Our analysis of the R.E.E.T.A.I.N. applicant database found that center-based providers who apply to R.E.E.T.A.I.N. are more likely to receive a bonus than are family child care providers. Given that center-based providers also tend to receive higher bonus award amounts compared to family child care providers, this finding suggests that center-based providers disproportionately benefit from these additional funds. DHS should consider a systematic review of these additional funds to determine whether they can be distributed more equitably to family child care providers.

Consider additional research exploring the impact of the program on workforce retention in Minnesota. While the current evaluation provides insight into the utility of the R.E.E.T.A.I.N. bonus program, DHS may wish to consider future research to gain greater understanding of how the program influences workforce retention in Minnesota and inform future policy changes.

Future research should also survey providers who have never applied for a R.E.E.T.A.I.N. bonus. The present study surveyed only providers who had applied for a R.E.E.T.A.I.N. bonus from 2013 to 2018. In future research, it may be helpful to survey providers who have not applied to the program in order to explore whether information about the program is equitably shared, and whether there are additional barriers to applying that the current evaluation has not thoroughly examined.

Explore how points are allocated to applicants and consider increasing transparency around the scoring system. In future work, DHS may also wish to explore in more depth how points are allocated to applicants and whether the current scoring system adequately targets populations of providers most likely to leave the child care workforce. Increased transparency around how points are allocated may also improve perceptions of fairness among providers who apply but are not awarded a bonus. Future research should also examine existing data on applicant wages to determine whether the scoring system equitably accounts for this factor.

Continue efforts to integrate R.E.E.T.A.I.N. and its application process with other Minnesota programs. Although providers must be registered in Develop, Minnesota’s Quality Improvement and Registry Tool, to apply for a R.E.E.T.A.I.N. bonus, providers’ Develop IDs are collected but not included in the applicant dataset maintained by Child Care Aware of Minnesota; therefore, administrative data cannot be linked between the two programs. By linking the R.E.E.T.A.I.N. applicant database with administrative data from Develop, the State could gain a more complete and ongoing understanding of whom the R.E.E.T.A.I.N. program is reaching over time as well as program participants’ longer-term outcomes.
References


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